Information Technology (IT) Systems Appropriation
Definition for VBA, NCA, IG & Staff Offices

Purpose: To define IT and telecommunications purchases and services under the General Operating Expense, National Cemetery Administration and Inspector General appropriations that are to be charged to the central IT Systems appropriation or charged to one of the Administration's non-IT appropriations.

The Congress established the IT Systems appropriation, to provide more direct control and more visibility over VA IT funding and management at the project level. The purpose of the new IT Systems appropriation is to focus on VA's IT investment in development and operations when they established the new IT appropriation. This account is a Department of Veterans Affairs (VA) central account for non-personnel, non-travel and non-training expenditures. To ensure that this new appropriation is used for the purposes intended by Congress, VA must establish a clear set of guidelines on the types of purchases and services that are included under the IT Systems appropriation.

VA has developed and will continue to develop a set of project level estimates (OMB Exhibit 300) that comprise the project level costs for both the IT Systems appropriation and the support appropriations (GOE, NCA & IG); however, it has become apparent that the definitions of the types of non-pay costs captured in those exhibits are inconsistent from project to project and within projects by location. The purpose of this paper is to clearly and concisely define those costs for VBA, NCA, IG and Staff Offices.

Federal IT personnel costs, along with the travel and training for the IT staff, are to be charged to the administration non-IT appropriation from which the employee is paid.

Transportation of items will not be considered IT and will be charged to the appropriate support appropriation.

Leasing of space will be charged to the to the project owner's Administration's non-IT appropriation.

Telecommunications costs will be charged to the central IT Systems appropriation, including leasing of lines, networks, phones, service related contracts, cell and satellite phones PBXs, blackberry and palm charges, video conferencing equipment, WAN charges and related maintenance contracts and repair charges will be included. Costs for consumable supplies such a fax paper, toner and batteries will be charged to the appropriate operational appropriations.

Furniture costs will continue to be charged to the to the project's owner's administrative non-IT appropriation.

Copier and fax machine costs will continue to be charged to the appropriate operational non-IT appropriation even if a copier is connected to a network and is sometimes used as a printer.

Office supplies will continue to be charged to the to the project's owner's administrative non-IT appropriation.

Computer equipment costs will be charged to the central IT Systems appropriation. A piece of equipment is not considered computer equipment simply because it has a central processing chip inside it and it is connected to the network.

   This will include the following types of equipment:

      Hardware, [1] cables, LANs and networks, [2] software, large digital storage devices, licensing costs, printers UPS systems if supporting computer equipment primarily.

The following items should be charged to the appropriate non-IT operational appropriation.

- The cost of consumable supplies such as paper, batteries, CDs, DVDs, USB drives, and toner.

- The cost of specialized equipment for the purpose of updating operating status such as a soda vending machine for inventory control, parking control systems, building fire alarm systems, elevator systems or security cameras or keyless access locks etc.

- The cost of cabling for new construction or renovation construction if the project is not an IT replacement project i.e. the cost of cabling is incidental to the overall's projects costs.

- The cost of radio equipment and digital cameras.

- The cost of background investigations.

See Attachment 3, which further details the items that can be acquired/maintained using the IT Systems appropriation.

Software: All commercial purchased and VA developed software costs will be considered as IT.

One VA Plus Fund and BuyIT.Gov: No 2006/2007 IT Systems appropriations may be deposited into the One VA Plus Fund or the BuyIT.Gov Fund or similar time extending programs. Prior year funds previously placed in the One VA Plus account or under the

BuyIT.Gov program can continue to be used to support IT projects as originally envisioned.

Mandatory program and Omnibus Reconciliation Act (OBRA) reimbursements for IT purchase for VBA will be included under the IT Systems appropriation.

Supply Fund purchases are not to be included in the IT Systems appropriation. However, funds previously borrowed from the Supply Fund for IT related purchases prior to fiscal year 2006 may continue to be repaid using the IT Systems appropriation until such time as the debt is retired and the loan balance is zero.

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Franchise Fund payments for Austin Automation Center (AAC) services by VA organizations are to be included in the IT Systems appropriation. The payments to other Franchise Fund Services Enterprise Centers excluding e-Payroll and e-Travel: Financial Services Center**,** Debt Management Center, Law Enforcement Training Center, Security & Investigations Center, and VA Records Center & Vault are not to be included in the IT Systems appropriation. Finally, purchase of IT equipment by the Franchise Fund Enterprise Center Organizations for its own use are not to be included in the IT Systems appropriation.

[1] For the purpose of IT budget formulation and execution, information technology equipment is defined as the equipment necessary to operate and support routine daily information processing including the information systems, administrative and financial (IFCAP/FMS). This equipment includes desktop computers, laptop computers, printers, servers, etc., and communications equipment to include routers, switches, hubs, cabling, etc.

There are systems not considered information technology for budget formulation and execution. These include systems that incorporate computers but are dedicated to special purpose systems like Fire Alarm Systems, Security Systems, Elevator Control Systems among others.

[2] Cabling will be included in the central IT Systems appropriation unless it is associated with Major and Minor Construction, Non-Recurring Maintenance Projects and Station Level construction projects.